

Governor's Council of Economic Advisors



South Dakota Bureau Of Finance and Management
October 21st, 2021

Governor's Council of Economic Advisors

REVENUES

FY2021 Legislative Adopted v. Actual

General Fund Receipts Legislative Revised FY2021 vs. Actual FY2021 (as of July 19, 2021)

	LEG REVISED FY2021	ACTUAL FY2021	DOLLAR CHANGE	PERCENT CHANGE
ONGOING RECEIPTS				
Sales and Use Tax	1,164,760,218	1,209,342,342	44,582,124	3.83
Lottery	141,285,402	155,527,049	14,241,647	10.08
Contractor's Excise Tax	142,641,353	144,448,267	1,806,914	1.27
Insurance Company Tax	96,135,028	97,010,439	875,411	0.91
Unclaimed Property Receipts	56,806,759	62,809,930	6,003,171	10.57
Licenses, Permits, and Fees	69,597,888	71,212,896	1,615,008	2.32
Tobacco Taxes	52,667,729	52,314,193	(353,536)	(0.67)
Trust Funds	41,589,883	41,628,039	38,156	0.09
Net Transfers In	20,596,155	23,471,494	2,875,339	13.96
Alcohol Beverage Tax	8,594,284	8,767,726	173,442	2.02
Bank Franchise Tax	14,376,189	18,702,022	4,325,833	30.09
Charges for Goods and Services	16,148,725	16,444,429	295,704	1.83
Telecommunications Tax	4,699,227	3,520,578	(1,178,649)	(25.08)
Severance Taxes	9,556,185	9,810,601	254,416	2.66
Investment Income and Interest	18,570,675	18,592,297	21,622	0.12
Alcohol Bev 2% Wholesale Tax	2,580,299	2,596,157	15,858	0.61
TOTAL (ONGOING RECEIPTS)	\$ 1,860,605,999	\$1,936,198,459	\$ 75,592,460	4.06
ONE-TIME RECEIPTS				
Refinancing Gains/Transfer from SDBA	6,745,654	6,745,654	0	0.00
Closeout of SDRC Inc. Funds	3,381,726	3,381,726	0	0.00
Bank Franchise Tax Prior Year Revenue	9,720,271	10,013,790	293,519	3.02
One-Time Sales and Use Tax	31,486,289	13,486,289	(18,000,000)	(57.17)
Unexpended Carryovers and Specials	0	4,125,561	4,125,561	N/A
Transfer from Budget Reserve Fund	0	0	0	N/A
Obligated Cash Carried Forward	19,093,963	19,093,963	0	0.00
Prior Period Adjustment	22,523,535	22,523,535	0	0.00
SUBTOTAL (ONE-TIME RECEIPTS)	\$ 92,951,438	\$ 79,370,518	\$ (13,580,920)	(14.61)
GRAND TOTAL	\$ 1,953,557,437	\$2,015,568,977	\$62,011,540	3.17

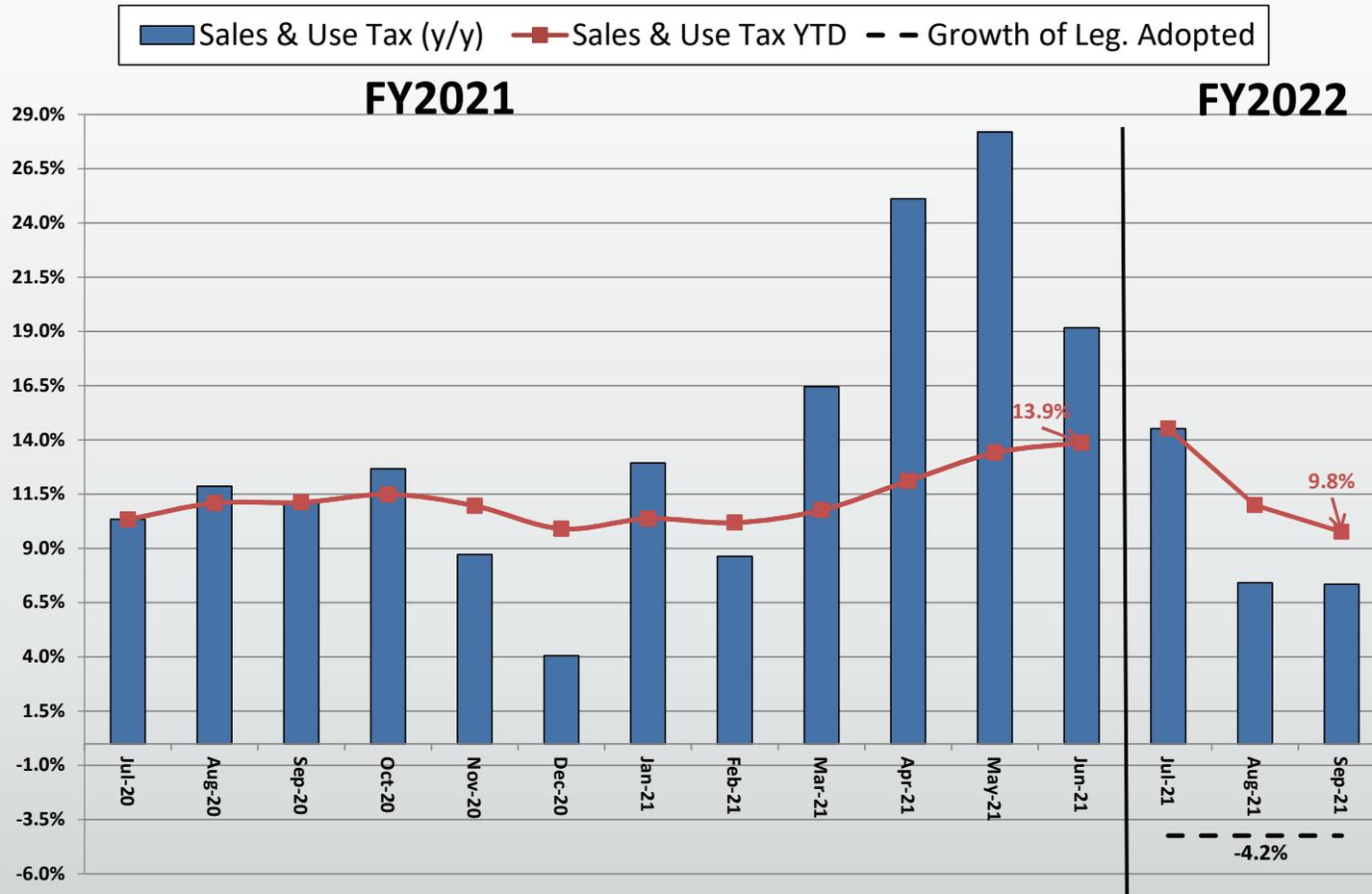
FY2022 Legislative Adopted v. Actual

Legislative Adopted FY2022 Estimate (Feb. 2021) vs. Actual Revenues Year-to-Date Through SEPTEMBER FY2022 Comparison

	Leg. Adopted SEPTEMBER FY2022	Actual SEPTEMBER FY2022	DOLLAR CHANGE	YTD % Chg. Actual/Adopt Comparison
ONGOING RECEIPTS				
Net Sales and Use Tax (excl. cost of admin)	313,418,041	357,600,836	44,182,795	14.1%
Lottery	31,224,961	39,476,553	8,251,592	26.4%
Net Contractor's Excise Tax	41,648,054	43,635,091	1,987,038	4.8%
Insurance Company Tax	21,443,069	21,867,693	424,624	2.0%
Unclaimed Property Receipts	(3,730,220)	(5,312,683)	(1,582,463)	42.4%
Licenses, Permits, and Fees	2,294,083	2,825,835	531,752	23.2%
Tobacco Taxes	16,318,138	15,779,981	(538,157)	-3.3%
Trust Funds	29,424,278	29,512,894	88,616	0.3%
Net Transfers In (excluding one-time)	9,554,442	10,426,431	871,989	9.1%
Alcohol Beverage Tax	28,285	46,091	17,806	63.0%
Bank Franchise Tax	486,828	447,672	(39,156)	-8.0%
Charges for Goods and Services	4,333,663	2,381,521	(1,952,141)	-45.0%
Telecommunications Tax	767,682	481,067	(286,615)	-37.3%
Severance Taxes	1,687,506	2,096,603	409,097	24.2%
Investment Income and Interest	11,071,047	19,456,950	8,385,904	75.7%
Alcohol Beverage 2% Wholesale Tax	658,424	735,270	76,846	11.7%
SUBTOTAL (ONGOING RECEIPTS)	\$ 480,628,280	\$ 541,457,804	\$ 60,829,524	12.7%
ONE-TIME RECEIPTS				
Obligated Cash Carried Forward	-	85,875,130	85,875,130	N/A
SUBTOTAL (ONE-TIME RECEIPTS)	\$ 0	\$ 85,875,130	\$ 85,875,130	N/A
GRAND TOTAL	\$ 480,628,280	\$ 627,332,935	\$ 146,704,655	30.5%

Recent Sales & Use Tax Growth Rates

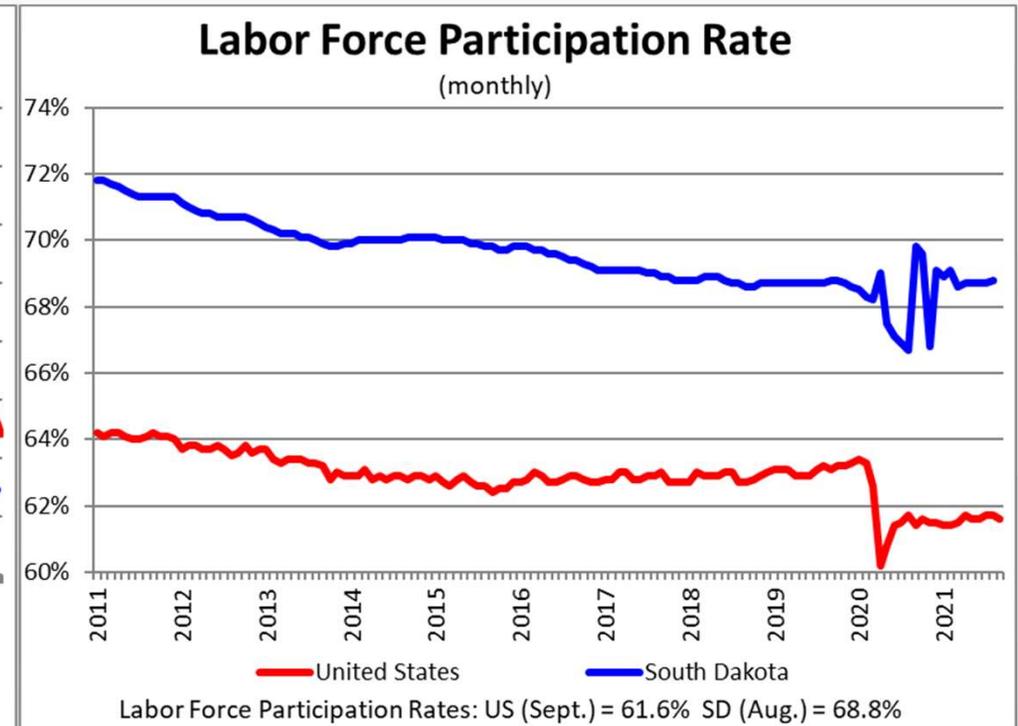
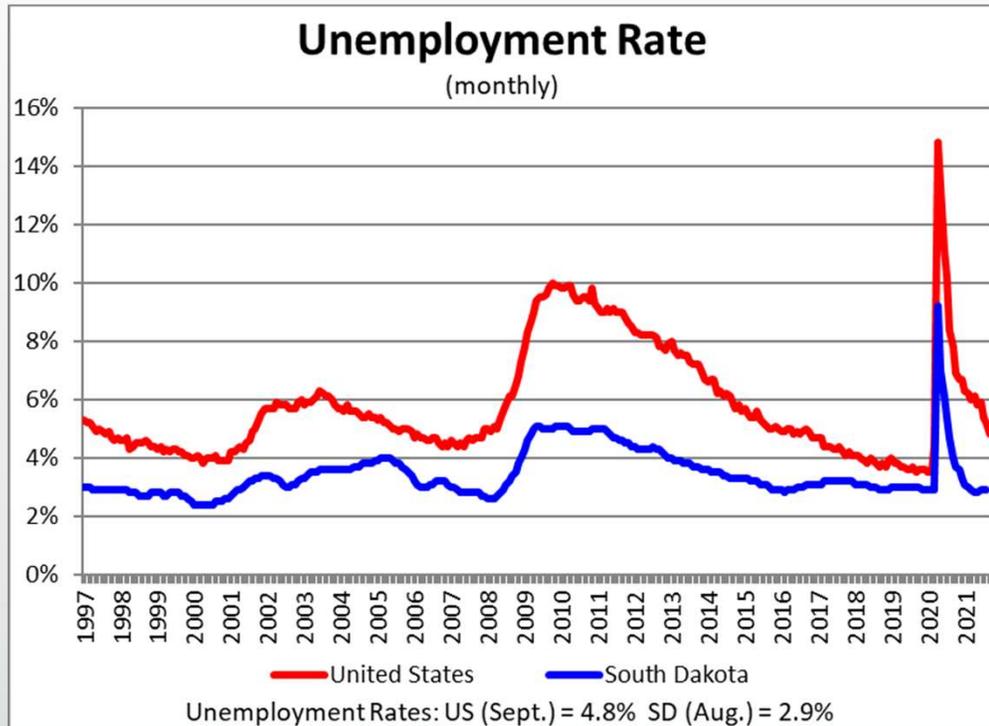
Recent Growth Rates in State Sales and Use Tax



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**ECONOMIC
PERFORMANCE**

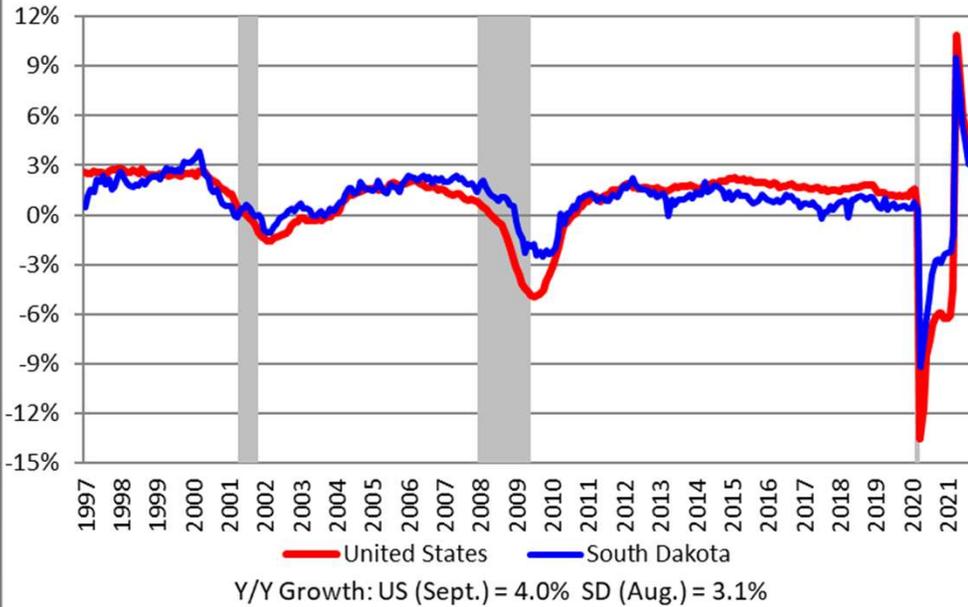
Economic Metrics



Economic Metrics

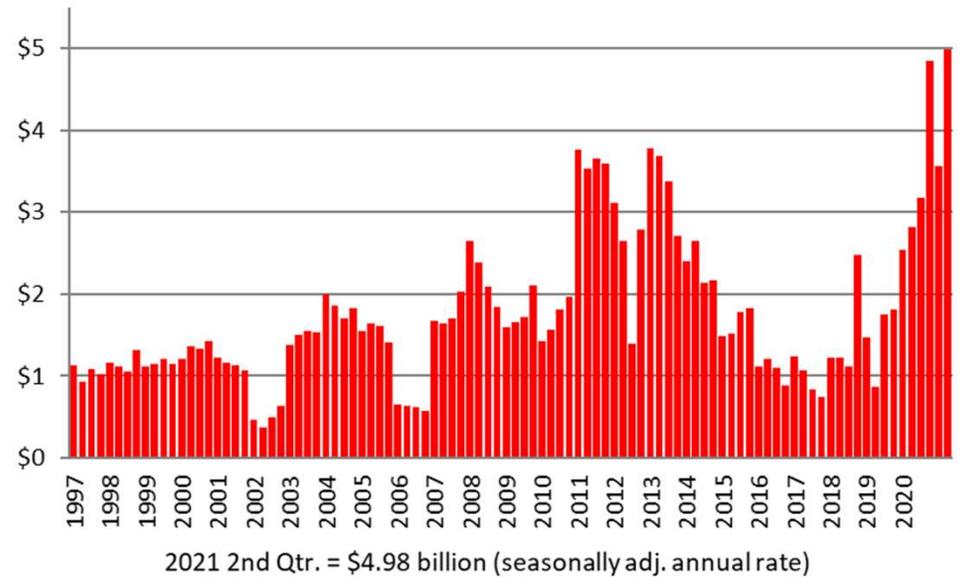
Nonfarm Employment Growth

(monthly year/year % chg)



South Dakota Farm Income

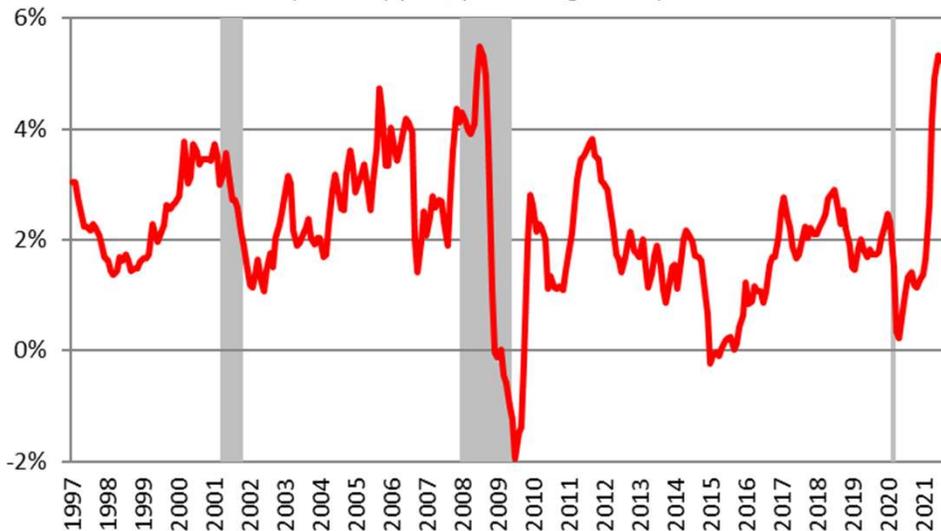
(quarterly levels at SAAR in billions)



Economic Metrics

U.S. Inflation

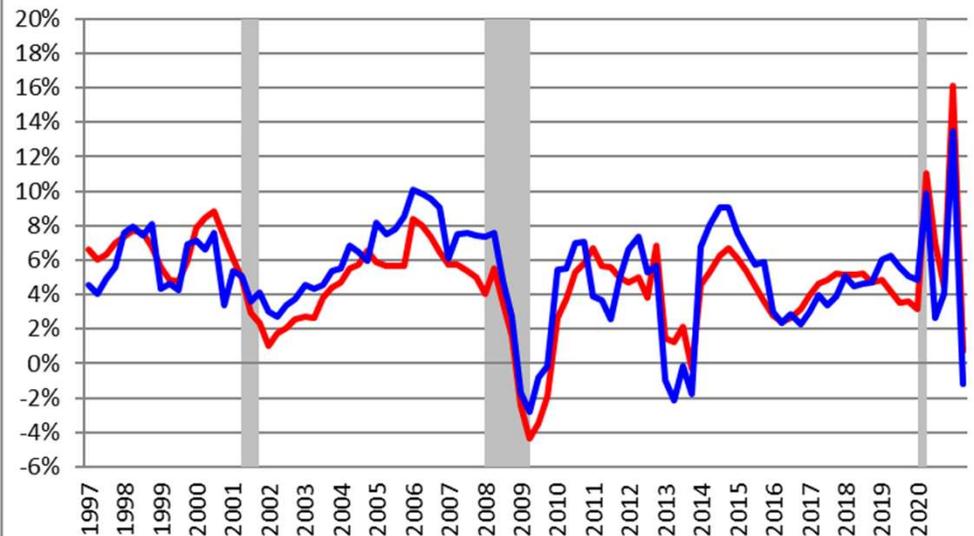
(monthly year/year % chg. in CPI)



September CPI: +5.4% compared to last year

Nonfarm Income Growth

(quarterly year/year % chg)



United States South Dakota

2021 2nd Qtr. y/y growth: US = 0.8% SD = -1.2%

IHS Economics Forecast for U.S. Economy Key Indicators (October '21)

	2017	2018	2019	2020	2021 f	2022 f	'10-'20 avg.
Real GDP Growth	2.3%	2.9%	2.3%	-3.4%	5.4%	4.3%	1.8%
NF Employment	1.6%	1.6%	1.4%	-5.7%	2.6%	3.6%	0.9%
NF Income	5.6%	5.1%	1.2%	1.2%	6.6%	3.5%	5.6%
Unempl. Rate	4.4%	3.9%	3.7%	8.1%	5.5%	4.1%	6.4%

IHS Economics Forecast for U.S. Economy Key Indicators (October '21)

Optimistic Scenario			Pessimistic Scenario			
	2021 f	2022 f		2021 f	2022 f	'10-'20 avg.
Real GDP Growth	5.8%	5.9%		5.1%	2.9%	1.8%
NF Employment	2.8%	4.0%		2.6%	3.1%	0.9%
NF Income	7.3%	8.4%		5.4%	0.4%	5.6%
Unempl. Rate	5.4%	3.8%		5.6%	4.8%	6.4%

IHS Economics Forecast for South Dakota Key Indicators (September '21)

	2017	2018	2019	2020	2021 f	2022 f	'10-'20 avg.
SD Real GDP Growth	0.6%	2.7%	0.6%	-1.7%	6.0%	2.5%	1.5%
SD NF Employment	0.4%	0.9%	0.6%	-3.4%	2.7%	1.3%	0.5%
SD NF Income	3.7%	3.9%	5.7%	5.3%	8.6%	-1.1%	4.6%
SD Housing Starts	5,033	4,766	4,085	6,016	6,639	5,070	4,450
SD Unempl. Rate	3.1%	2.9%	3.0%	4.7%	2.9%	2.7%	3.7%

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**Dr. Santos
Presentation**

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**Council
Discussion**

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SD Housing Starts	5,033	4,766	4,085	6,016	6,639	5,070	4,450
SD Unempl. Rate	3.1%	2.9%	3.0%	4.7%	2.9%	2.7%	3.7%

Other Discussion Items

- Next Meeting Dates
 - January
- Other Comments
- Public Comment